

**HON'BLE SHRI G.S. SINGHVI, THE CHIEF JUSTICE**

**AND**

**HON'BLE SHRI JUSTICE C.V. NAGARJUNA REDDY**

**Writ Appeal No.1166 of 2006**

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**Between:**

Regional Manager, APSRTC,  
Karimnagar Region, Karimnagar Town and District,  
and another

**.....Appellants**

**And**

Kancham Ramesh

**.....Respondent**

**:: JUDGMENT ::**

Counsel for the Appellants : Shri P.Vinayaka Swamy  
for

Smt. P.Rajani

Counsel for the Respondent : Shri M.Madhava Reddy

**November 06, 2006**

**Per G.S. SINGHVI, CJ**

This appeal is directed against order dated 20-07-2005 passed by the learned Single Judge, whereby he allowed the writ petition filed by the respondent herein and quashed the decision of the appellant – Andhra Pradesh State Road Transport Corporation (for short, ‘the Corporation’) to withhold the amount payable to the writ petitioner (respondent herein) in terms of agreement dated 17-04-1999.

The respondent is the owner of bus bearing No.AP-36-U-3420. The appellants hired the bus of the respondent for operating on the notified routes covered by the draft scheme or pucca/ temporary permits issued by the Regional Transport Authority or State Transport Authority. For this purpose, agreement dated 17-4-1999 was executed between the parties. Clauses 5(ii) and (iv) of the agreement, which have bearing on the decision of this appeal read as under:

“ii) The owner shall keep his vehicle duly insured to cover third party risk and shall also pay the M.V.Taxes and other taxes and levies payable as a consequence of the operation of the above vehicle to all the authorities concerned.

iv) The owner shall be responsible for all claims that may arise due to statutory violations out of the operations like claims due to accidents payable under the provisions of M.V. Act, Rules and APSRTC shall under no circumstances be made liable or responsible to pay compensation that may be awarded by Motor Accidents Claims Tribunal or Tribunals in respect of accidents.”

The bus hired by the appellants was involved in an accident on 30-9-2001. As a result of the accident, one Veeraiah died. The legal

representatives of the deceased filed claim petition before Motor Accidents Claims Tribunal-cum-I Additional District Judge, Warangal (for short, 'the Tribunal') claiming compensation of Rs.3,00,000/-. The same was registered as O.P.No.612 of 2002. By an order dated 7-3-2003, the Tribunal awarded compensation of Rs.2,70,000/- to the legal representatives of the deceased. Of this, 50% amount i.e., Rs.1,35,000/- was payable by the respondent and the remaining 50% by the Corporation. The respondent's share of compensation was paid by United India Insurance Company Limited apparently because the vehicle was insured with the said company.

After about nine months of the pronouncement of the award by the Tribunal, Regional Manager of the Corporation (Karimnagar Region), vide his letter dated 17-1-2004, directed Depot Manager, Metpally to deduct a sum of Rs.1,55,096/- from the hire charges payable to the respondent. The latter challenged the same in Writ Petition No.15748 of 2005. The learned Single Judge relied on the judgment of another learned Single Judge in **K.Matura Bai and others v. A.Shiva Nageswar Rao and others**<sup>[1]</sup> and held that the Corporation cannot deduct the amount of compensation from the hire charges payable to the writ petitioner (respondent herein).

We have heard Shri P.Vinayaka Swamy and perused the record. In our opinion, the order under challenge does not suffer from any legal infirmity. In terms of Clause 5(ii) of the agreement entered into between the appellants and the respondent, the latter was obliged to keep the vehicle duly insured to cover third party risk, and also pay motor vehicle taxes, other taxes and levies payable as a consequence of the operation of the vehicle. In terms of Clause 5(iv), the respondent was to bear the responsibility for all claims arising on account of statutory violations and accidents. However, there is nothing in those

two sub-clauses of Clause 5 or any other clause of the agreement from which it can be inferred that the appellant Corporation can withhold the amount of hire charges. Therefore, the view taken by the learned Single Judge on the legality of the decision taken by the appellants cannot be termed as erroneous.

With the above observations, the appeal is dismissed.

As a sequel to dismissal of the writ appeal, WAMP No.2427 of 2006 filed by the appellants for interim relief is also dismissed.

**G.S.SINGHVI, CJ**

**C.V.NAGARJUNA REDDY, J**

06-11-2006

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[\[1\]](#) 2004 (4) ALT 304